Children's Mental Health Care in Texas:

Needs, Services and Funding

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Prepared by:

and

United Ways of Texas

Leading the Way to Human Service Solutions

Funded by the Hogg Foundation for Mental Health

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About the Texas Institute for Health Policy Research (TIHPR)

With a vision of an improved health care system statewide, the Texas Institute for Health Policy Research analyzes health care issues and their impact on all Texans. From hosting unbiased health policy forums on critical, timely issues, to helping local communities develop and realize their own unique health care system models, the Institute works with stakeholders at every level to promote innovative ideas for improving the health care system. For additional information about TIHPR, please contact Delia Mears, Director of Development, by phone at (512) 465-1553, or e-mail to dmears@healthpolicyinstitute.org.

About the United Ways of Texas (UWT)

United Ways of Texas is a voluntary state association for local United Ways throughout the state. UWT's mission is to create dynamic solutions for health and human service needs in Texas. By building strategic relationships with our member United Ways statewide, UWT can affect positive health and human services solutions for the people and communities of Texas by influencing public health and human services policy at the state level.

Statement of Purpose

Originally, the Texas Institute for Health Policy Research (the Institute) approached the Hogg Foundation for Mental Health (Hogg Foundation) with the idea of developing a document that identifies the total state dollars spent on children's mental health care and an overview of how funds flow through the system. The varied funding structures among state agencies made this task too difficult at this time, as some agencies directly fund mental health care, while others provide services as part of specific programs not necessarily designated as mental health programs. In fact, the vast majority of mental health care expenditures are embedded in funds appropriated to state agencies for purposes specific to each agency's mission. As such, it is impossible to identify all those dollars spent solely on children's mental health services.

This publication provides current facts and 2001 budgetary information about the state of Children's Mental Health Services in Texas to inform legislators and other policymakers interested in this issue. At the time that this research began, only FY 2001 numbers were available. In some cases, however, we used 2002 figures. Specifically included herein are a brief overview of the state of mental health care for children, a mental health care budget summary for state agencies providing such services for children, and appendices with additional information about this issue. The Hogg Foundation provided funding for the research, which the Institute conducted in collaboration with United Ways of Texas.

Our thanks to Senator Mike Moncrief, former Chair of the Senate Committee on Health and Human Services (77th Legislature), and his staff, who provided a major portion of the background research used for this report. Many thanks also to the Mental Health Association in Texas for their guidance and expertise on mental health care for Texas children.

In developing the budget summaries, the Institute worked with the "Baylor consulting group," a team of students enrolled in the U.S. Army-Baylor University Graduate Program in Health Care Administration and a faculty advisor. The group assisted the Institute with this project. Many thanks to the Baylor team for their hard work. Specifically, thanks to:

LTC Shonna Mulkey, Faculty Advisor
Captain Daniel Bonnichsen, Consulting Team Member
Captain Craig Fisher, Consulting Team Member
Captain Mark Swofford, Consulting Team Member
Captain Scott Hallmark, Consulting Team Member

Children's Mental Health Care in Texas

Children's Mental Health Services

Key Facts about Children's Mental Health Care:

- Of the 151,464 children with significant mental disorders who were eligible for services through the Texas Department of Mental Health and Mental Retardation (TDMHMR) in 2002, only 39,598, or 26 percent, received it (Mental Health Association in Texas, Fact Sheet, February 29, 2003. http://mhatexas.org/FACTSHEET1final2).

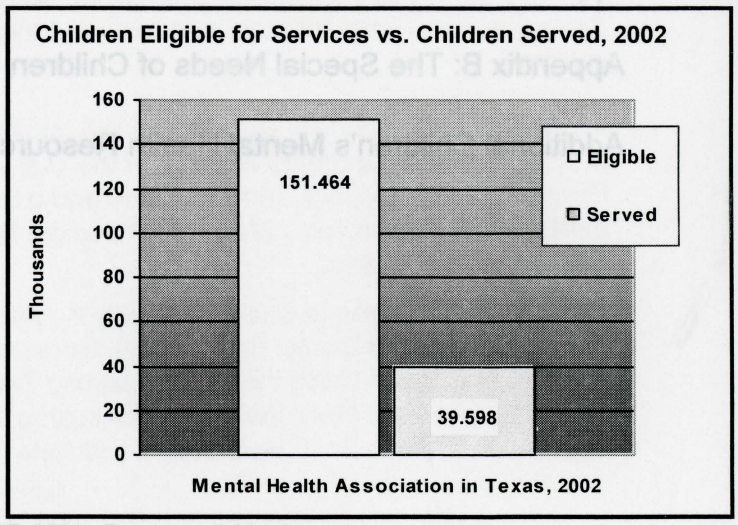
- Currently 33 states provide some level of parity coverage for mental illness. Texas requires only partial parity for mental health care for serious mental illness, and exempts employers of 50 employees or fewer from providing any mental health coverage. (National Mental Health Association. "What Have States Done to Ensure Mental Health Parity?" Summary of State Parity Laws, Fall 2002 www.nmha.org/state/parity/state_parity.cfm).

- As of 1997, Texas ranked 5th in total state mental health expenditures for children and adults, but 43rd in per capita spending (U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, "State Mental Health Agency, Mental Health Actual Dollar and Per Capita Expenditures, 1997." This is the latest available state comparison data. www.mentalhealth.org/databases/databases_exe.asp?D1=TX&Type=PC).

- Untreated psychological problems disrupt children's social, academic and emotional development – sometimes permanently (Kathleen J. Pottick and Lynn A. Warner. "Update: Latest Findings in Children's Mental Health." *Policy Report submitted to the Annie E. Casey Foundation*. Volume 1, No. 2, 2002).

- Many untreated mental illnesses and addictive disorders could be controlled or prevented with proper care (*Labor Day 2001 Report: The "Dollars and Sense" Case for Increased Investments in Mental Health and Substance Abuse*. National Mental Health Association, 2001).

- Nationally, untreated or mistreated mental illness and addictive disorders cost about $113 billion annually in lost productivity, crime and welfare costs (Rice Dorothy and Leonard Milller. "Economic Burden of Mental Disorders in the United States," *The Economics of Neuroscience*, Vol. 2, No. 2, 1999).



- *Effective* treatment can reduce children's mental health costs and may result in substantial savings in non-mental health costs as well. (Geballe, Shellley. *The Economic Cost of Mental Illness and the Benefits of Treatment*. Connecticut Voices for Children, New Haven, CT, 2001. Report available via http://info.med.yale.edu/chldstdy/CTvoices/kidslink/kidslink2/reports/PDFs/econ_cost_mental_illness.pdf).

Children's Mental Health Services in Texas

The Current Need:

- In 2002, 1.2 million Texas children had some form of diagnosable mental health disorder (Mental Health Association in Texas, Fact Sheet, 2002).
- Approximately 20% of youth receiving services from TDMHMR are involved in the juvenile justice system. Many youths with mental illnesses are, in effect, relinquished to the justice system by their parents so that they can access needed mental health services. (TDMHMR. *Financing Mental Health Services for Juvenile Offenders*, December 1, 2002, http://www.mhmr.state.tx.us/CentralOffice/ChildrensServices/Rider63Finance.pdf).
- In 2002, 420,000 children in Texas suffered from serious mental illness that impaired their ability to function at school and in their communities (Mental Health Association in Texas, Fact Sheet, 2002).
- Barriers to care include undiagnosed mental health problems, the stigma associated with mental illness and a lack of access to services or mental health care coverage (U.S. Surgeon General. *Mental Health: A Report of the Surgeon General, Chapter 3*, 1999. A full version of the report is available online at http://www.surgeongeneral.gov/library/mentalhealth/home.html#message).

Gaps in Mental Health Care Services for Texas Children:

The Senate Health and Human Services Committee identified several needs in the children's mental health care system:

- Comprehensive parity insurance coverage for mental health care
- More therapeutic foster care and community based treatment options for children
- Comprehensive, statewide system of care ensuring integrated funding for early detection, intervention and treatment of mental health disorders in children
- Recognition of substance abuse as a factor in children's mental health disorders

Top Children's Mental Health Priorities:

The 78th Texas Legislature faces a deficit of about $10.5 billion. Thus, efforts to improve children's mental health care will require working within existing or reduced budgets. According to the Mental Health Association in Texas, priorities are:

- Coordination of public funding for children's mental health services
- Appropriate and adequate mental health coverage for children by Medicaid / CHIP
- Increased expertise in children's mental health care providers
- Capacity and effectiveness of school-based mental health services

Two Senate Bills have been introduced that would address some of these priorities.

- SB 116 would require mental health parity and extend coverage to children.
- SB 60 would develop a systems of care approach to addressing children's mental health care needs.

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Funding Children's Mental Health Care in Texas

Budget Summaries by State Agency

As of 1997, the U. S. Department of Health and Human Services' Substance Abuse and Mental Health Services Administration (SAMHSA) ranks Texas 43rd in per capita spending for mental health care (all care). This ranking is based on information from "state mental health agencies." At least 10 state agencies provide some mental health services for children in Texas.

In March, 2002, the Institute hosted a forum on children's mental health in Texas. Participants, including policymakers from a variety of state agencies and non-profit organizations, expressed the need to coordinate funding for mental health services, particularly for children. Meanwhile, the Senate Committee on Health and Human Services was hearing the same thing from many of the same agencies and organizations. In fact, the committee's research served as a starting point when the Institute began identifying mental health dollars.

When the Institute set out to find out how many dollars the state is spending specifically on children's mental health care and via which agencies, we found that we could not determine exactly how much money is dedicated to providing such services because of a multitude of funding mechanisms among agencies.

In the end, a need to determine how much we spend on children's mental health care services remains. In addition, it would be useful to policymakers to know exactly how dollars are spent so that they can be used as efficiently as possible.

This section provides a budget summary for each of the 10 primary agencies that provide mental health care to children. Some summaries are more complete than others, for the reasons stated above. In addition, each summary includes some information about how services are funded (funding streams, specific programs, etc.).

Texas Health and Human Services Commission
Fiscal Year 2001 Budget for Children's Mental Health Services

Funding Sources	*Revenues*	*Services Provided*	*Expenditures*
Medicaid		**Medicaid**	
Federal	$95,397,750.00	Behavioral health services (mental health and substance abuse)	$116,000,000.00
State	$62,102,250.00	Prescription drugs	$41,500,000.00
CHIP		**CHIP**	$7,340,365.004
Federal	$5,314,424.26	Inpatient mental health services	
State	$2,025,940.74	Outpatient mental health services	
Total	**$164,840,365.00**	Inpatient residential and outpatient substance abuse treatment services	
		Prescription drugs (expenditures not reported by health plans)	
		Total	**$164,840,365.00**
Grand Total	**$164,840,365.00**		**$164,840,365.00**

All CHIP services are provided under a capitated contract. As of March 2002, prescription drugs are provided under a drug vendor program so their costs may be tracked separately. HHSC does not directly provide any services through the CHIP or Medicaid programs. Many of the children who obtain mental health services are referred to CHIP or Medicaid providers by other state agencies. The program serves youth 0 to 21.

Other Non-Medicaid/CHIP Services

The Texas Integrated Funding Initiative (TIFI) grew out of systems of care legislation, Senate Bill 1234 from the 76th Legislative Session. There are seven funded TIFI communities. The systems of care in Travis County, El Paso and Fort Worth are federally funded. The four other communities are state funded: Harris County; Tarrant County; Tri-County (Montgomery, Liberty, and Walker counties); and Family Connections (Parmer, Swisher, Dickens, Briscoe, Bailer, Lamb, Hale, Floyd, and Motley counties). Participating agencies contribute funds. In FY 2001, each state-funded community received $60,000, compared to $75,000 for FY 2003.

Community Resource Coordination Groups (CRCG's) were created in 1987 via an unfunded legislative mandate. There were four pilot sites in 1988/1989; then the program was instituted state-wide in 1990. There are about 150 groups statewide at the local/county level, each comprised of public and private service providers. The CRCG's develop individual care plans for youth, 0 to 22, who have exhausted other sources of services. Youth are referred to the CRCG by participating agencies or community members that participate as at-large members. In FY 2003, the CRCG program received $356,000 for state level coordination via an HHSC rider. Local groups are self-funded. Fifteen state agencies participate in the CRCG program.

Texas Department of Criminal Justice

Fiscal Year 2002 Budget for Children's Mental Health Services

Texas Council on Offenders with Mental Impairments

Funding Sources	*Revenues*	*Expenditures*
General Revenue (to provide mental health svcs.)	$5,000,000.00	**Unable to obtain information about expenditures for mental health services due to the way the agency expends funds. More information is available from Denise Geredine, (512) 406-5406.**
General Revenue (for aftercare and regional svcs. for parolees under Texas Youth Commission Supervision	$2,500,000.00	
Projected Third Party Revenue (ie, Medicaid and CHIP)	$1,892,002.00	
Total	**$9,392,002.00**	
Grand Total	**$9,392,002.00**	**NA**

The Texas Council on Offenders with Mental Impairments (TCOMI) was created to provide a formal structure for criminal justice, health and human services, and other affected organizations to communicate and coordinate on policy, legislative, and programmatic issues affecting offenders with special needs. Special need offenders include those with serious mental illness, mental retardation, terminal or serious medical conditions, physical disabilities, and the elderly. TCOMI contracts with local mental health centers to provide various mental health services to offenders aged 10 to 17 through its *Juvenile Offender Initiative.*

During the 77th Legislative Session, the legislature appropriated $9.5 million to provide treatment services to 933 youth on probation and to 415 juveniles on parole from the TYC and in need of intensive aftercare treatment services. Jointly developed by TJPC, TYC, and TCOMI, the objective of the Juvenile Offender Initiative is to "prevent further involvement in the juvenile justice system and the removal of the child from the home by providing mental health services to the child and family through a home-based approach. The goal of services is to enable the family to function effectively without the department's intervention by developing long-term community supports." Thus, TCOMI does not provide direct services, but reimburses contract providers. Various services provided may include:

- Wrap Around Services
- Service Coordination and Planning
- Medication and Monitoring
- Individual and/or Group Therapy
- Skills Training
- In-home Services such as Multi-Systemic Therapy
- Family Focus Support Services
- Benefits Eligibility Services
- Co-location of Supervision and Treatment Services

Council membership consists of representatives of five statewide organizations that serve or advocate for the mentally ill or mentally retarded in Texas, and 12 state agencies.

Texas Department of Health

Fiscal Year 2001 Budget for Children's Mental Health Services

Children with Special Health Care Needs Division

Funding Sources	*Revenues*	*Services Provided*	*Expenditures*
No specific funding for children's mental health services		Inpatient/Outpatient Mental/ Behavioral Services*	$0.00
		Psychiatric Medications**	$35,260.31
		Inpatient Psychiatric Care*	$0.00
		Outpatient Counseling/Medication Monitoring*	$0.00
Total		**Total**	**35,260.31**
Grand Total	**$0.00**		**$35,260.31**

*CSHCN did not begin providing behavioral or mental health services until July 1, 2001. No inpatient or outpatient mental health services were provided to CSHCN clients in FY 2001.

**Not all psychiatric medications are prescribed for mental health reasons. The drugs in this category may or may not have been prescribed to treat mental health conditions.

The Children with Special Health Care Needs Division (CSHCN) program provides limited inpatient and outpatient behavioral health services to eligible clients. Eligibility is based on family income, family size and classification of a chronic behavioral/emotional condition *paired with* a developmental or physical condition. In other words, children with mental health care needs can receive CSHCN services only if they suffer from physical or developmental conditions as well.

Effective July 1, the CSHCN program began covering mental health services for children as part of the implementation of SB 374 from the 77th Legislative Session. CSHCN does not provide direct services, but reimburses providers.

As of January 7, 2002 data indicate that mental health services have been limited to psychiatric medications. In FY 2001, 114 children received medications.

Texas Juvenile Probation Commission

Fiscal Year 2001 Budget for Children's Mental Health Services

*Funding Sources**	*Revenues*	*Services Provided*	*Expenditures*
No line item budget for mental health services	NA	Placement in residential treatment centers	NA
Total	**NA**	**Total**	**NA**
Grand Total	**NA**		**NA**

*Most juvenile probation departments receive 64 percent of their funding from county government, 29 percent of their funding from the state (TJPC), and seven percent of their funding from the federal government.

TJPC does not provide mental health services. At the local level, most departments look to MHMR to provide these services. Where and when dollars are available, departments may contract with a therapist or, as in the larger counties, build in their own in-house psychological services division.

There is no set number of juveniles referred to probation departments, so the commission cannot estimate expenditures for children's mental health services. If funding does not exist to treat the most impaired juveniles in the community, they are committed to treatment centers. Juveniles who function well in community settings and are low risks for violent behavior may stay in the community with monitoring. The mission of the juvenile court is to modify a juvenile's criminal behavior and the expertise of the justice system is in juvenile justice rather than mental health.

In FY 2001, the legislature appropriated $2 million for the Special Needs Diversionary Program to provide funding for Specialized Juvenile Probation Officers, but no money was allocated to or expended to provide mental health screenings or services.

Funding for residential placement center services comes from the state aid or community corrections category. The dollars used to purchase these services are often a combination of state and local dollars, so TJPC does not ask for mental health billing costs.

Texas Education Agency

Fiscal Year 2001 Budget for Children's Mental Health Services

Funding Sources	*Revenues*	*Services Provided*	*Expendi*
Emotional disturbance (school funds)	$127,794,000.00	Emotional disturbance (school funds)	$127,79
Federal IDEA funds for students with disabilities	$28,400,664.00	Emotional disturbance (Federal IDEA funds)	$28,40
Residential Placement for students with emotional disturbance	$3,217,652.00	Residential Placement for students with emotional disturbance	$3,217,65
Total	**$159,412,316.00**	**Total**	**$159,41**
Grand Total	**$159,412,316.00**		**$159,412,**

Once a child is in school, the majority of the responsibility for addressing mental health issues falls to school counselors and nurses, according to the Texas Education Agency (TEA). Of the $141 million Texas Education Agency budget for Individuals with Disabilities Education Act (IDEA), nearly $113 million is spent on students who demonstrate emotional disturbance. Another $3.4 million goes for residential placement of those students, and $25 million is for students with developmental and physical disabilities.

Students who are referred for special education services must meet the eligibility criteria established by the Individuals with Disabilities Education Act (IDEA). Specifically, IDEA funds services for students with mental retardation, serious emotional disturbance, autism, traumatic brain injury, certain learning disabilities and other conditions not related to mental impairment. In addition, state education agencies can choose to use IDEA funds for any children age 3-9 who are suffering from developmental delays.

As of October 25, 2002, TEA reported a total of 496,234 children, ages 3-21, in special education (unduplicated count reported for federal IDEA funding requirements). Students with Emotional Disturbance make up approximately seven percent of the special education population. This percentage was used to estimate how much of the state special education funds and the federal IDEA funds were spent on children with emotional disturbance. Thirty-three students with emotional disturbance were placed residentially.

The Texas Education Agency also provides funding for a drop-out prevention program, Communities in Schools (CIS), though the program is currently administered by the Department of Protective and Regulatory Services. For additional information, refer to page 12.

Texas Youth Commission

Fiscal Year 2001 Budget for Children's Mental Health Services

Funding Sources	*Revenues*	*Services Provided*	*Expenditures*
General Revenue	$30,000,617.00	Psychotropic Medications	$1,666,362.00
Interagency Contracts	$58,889.00	Residential Treatment (Including Psychiatrists' Salaries)	$28,082,183.00
Federal Funds	$852,752.00	Outpatient Services	$1,342,542.00
		Medication Review for Quality Control	$17,100.00
Total	**$30,912,258.00**	**Total**	**31,108,187.00**
Grand Total	**$30,912,258.00**		**$31,108,187.00**

TYC provides services to those youths who are committed to TYC for habilitation or rehabilitation. Approximately three percent of the youths referred to probation departments each year are committed to TYC. When youth are committed to TYC, they report to the Marlin Orientation and Assessment Unit. They spend roughly 60 days at this facility where they complete both medical and physiological evaluations. Based on the outcomes of these and other evaluations, youth are assigned to residential placement (ie; secure facility, half-way house, or residential treatment program). Mental health services may be provided at any of these types of facilities.

In FY 2002, 2,237 male and 211 female offenders were committed to TYC, for a total of 2,448 offenders.

Texas Department of Protective and Regulatory Services

Fiscal Year 2001 Budget for Children's Mental Health Services

Child Protective Services (CPS)

Funding Sources	*Revenues*	*Services Provided*	*Expenditures*
***No funds allocated specifically for mental health services**	NA	Diagnostic consultation	$1,456,995.51
		Group counseling/therapy	$17,577.78
		Psychological /Dev Eval/Test	$1,188,230.60
Total	**NA**	Psychiatric Eval	$80,440.61
Federal reimbursement is available under Title IV-E for eligible children at the Federal Medical Assistance Percentage (FY 01 FMAP for Texas was 60.57%) for maintenance expenses and at 50% for administrative expenses.		Individual Counseling/Therapy	$2,075,008.30
		Group Counseling/Therapy	$158,091.17
		Family Counseling/Therapy	$266,525.15
		Child/Develop Assess Screen	$9,290.00
		Assessment Services	$42,742.31
		Child/Psych Asses Screen	$12,950.00
		Home-Based Therapy	$347,633.75
		Post-Adopt Therapy/Counseling	$235,634.77
		Post-Adopt Services Day Treat	$58,368.31
***Typically, funding for services is paid in equal parts by IV-E, General Revenue and GR/TANF. IV-E funding is used to meet the needs of children in therapeutic settings, but not for mental health services.**		**Total**	**$5,949,488.26**
Grand Total	**NA**		**$5,949,488.26**

Expenditures listed were funded with a combination of IV-B and TANF funds. PRS does not use Title IV-E funds for purchased services. These dollars indicate spending for both in-home and conservatorship cases and involve services provided to both children and families. In addition, these amounts represent service codes and may reflect embedded services provided as a result of abuse, neglect or exploitation and not distinct mental health services.

The state of Texas uses Title IV-E, TANF and General Revenue to fund foster care. In an effort to define the various levels of care for children in the custody of TDPRS, a Levels of Care (LOC) system was created in 1989. There are six levels of care. For the purposes of this document, LOC 3 and above have been selected as care that is necessitated by a child's need for a therapeutic setting and supervision.

In 2002, the total unduplicated number of children who received mental health services was 18,838.

The Prevention and Early Intervention Division

The Prevention and Early Intervention Division (PEI) manages community-based programs aimed at preventing abuse, neglect, delinquency, truancy, dropping out of school, and other negative outcomes for children and youth between the ages of 0 and 18. PEI funds community-

based services that may include a mental health component of counseling or residential treatment:

- Services to At-Risk Youth (STAR) focuses on crisis intervention for children that have or may run away, live in family conflict or are at risk of delinquency. Suggested services include: crisis intervention, family and individual counseling, skills-based training for families, and emergency respite services. Funding source: TANF MOE and IV-B, Part 2.
- Communities in Schools (CIS) develops and coordinates programs, community and business partners, and resources as a one-stop shop to improve attendance, academic performance and behavior. Funding Source: Compensatory Education funds (from TEA) and Temporary Assistance to Needy Families.
    - It is important to note that CIS focuses on drop-out prevention, and may provide mental health services in that context only.
    - Currently, the Texas Education Agency provides almost $13 million in compensatory education funding via a rider. In addition, CIS receives about $4.8 million annually from federal Temporary Assistance to Needy Families (TANF) block grant funds transferred from the Texas Workforce Commission.
    - School districts that contract to administer the CIS programs at their campuses also provide significant funding for the program, though the exact amount was unavailable.
    - Senate Bill 1038, referred to the Senate Education Committee on March 17, 2003, would transfer the administration of CIS to the Texas Education Agency.
- Texas Families Together and Safe programs work in collaboration with community agencies to ensure that families have access to needed services without barriers.

Texas Commission on Alcohol and Drug Abuse
Fiscal Year 2001 Budget for Children's Mental Health Services

Funding Sources	*Revenues*	*Services Provided**	*Expenditures*
General Revenue	$3,448,679.00	Substance Abuse Services	$17,467,748
SAPT Block Grant	$13,677,923.00		
Other Federal Funds	$837,648.00		
Interagency Contracts	$75,480.00		
Total	**$18,039,730.00**	**Total**	**17,467,748**
Grand Total	**$18,039,730.00**		**$17,467,748**

*These expenditures are for substance abuse services, which may include outpatient, residential, and specialized female services. TCADA does not have specific information for mental health expenditures.

The commission receives the majority of its funding from the federal government. The Code of Federal Regulations (45 CFR) specifies eligibility criteria for the Substance Abuse Prevention and Treatment Block Grant (SAPT). Texas Commission on Alcohol and Drug Abuse (TCADA) Rules further clarify client and financial eligibility criteria. TCADA contracts with providers to deliver substance abuse services on a regional basis using the 11 HHSC regions. Youth who obtain services from TCADA often exhibit a secondary behavioral health diagnosis. TCADA providers are required to refer to other providers as necessary to meet client needs, or the youth may receive co-occurring disorder services through Co-Occurring Psychiatric and Substance Use Disorder (COPSD) providers. TCADA collaborates with MHMR to provide co-occurring disorders services, which serves both youth and adults.

TCADA funding is specifically designated for substance abuse treatment services. TCADA and MHMR do not receive a specific appropriation for COPSD services, which are included as part of the TCADA treatment strategy. The commission provides a total of $4.3 million for COPSD programs. It is supported by state appropriations and an interagency contract with TDMHMR for $350,000.

Council on Early Childhood Intervention

Fiscal Year 2001 Budget for Children's Mental Health Services

Funding Sources	*Revenues*	*Services Provided**	*Expenditures*
No specific funding for mental health services	NA	Contribution to CRCG Program	$5,000.00
		Mental health services delivered under ECI contracts	No estimate
Total	**NA**	**Total**	**$5,000.00**
	Revenues		*Expenditures*
Grand Total	**NA**		**$5,000.00**

The Council on Early Childhood Intervention focuses exclusively on prevention and early intervention programs. ECI maintains contact with the family members of children up to three years of age with mental health issues and monitors early indicators of risk in children that have disciplinary trouble in school, show aggressive behavior, and may have childhood depression.

ECI receives federal and state general revenue funds. They also bill Medicaid and Temporary Aid for Needy Families for several types of services. ECI pays for contracted services on a per child basis (ie, a capitated contract) instead of a per service basis. There is no way to determine how much money was spent specifically on mental health services. ECI is developing a fee-for-service pilot program that will make it possible to track expenditures for specific types of services.

The council contracts include mental health services, but individual providers are required to bill Medicaid directly for reimbursable services. ECI's federal funds must be used as the payer of last resort. ECI's state funds can be used only after all outside sources of funds are expended. ECI does participate in local CRCGs, but most funding contributed to an individual's care plan is done at the local level.

Texas Department of Mental Health and Mental Retardation

Fiscal Year 2001 Budget for Children's Mental Health Services

Summary

TDMHMR serves children to age 17. In Fiscal Year 2001, the agency served 39,951 children and families.

Community Mental Health Centers

Funding Sources	*Revenues*
General Revenue	$36,371,816.00
Tobacco Settlement Proceeds	$7,500,000.00
Federal Funds	$8,603,465.00
Medical Assistance	$10,273,873.00
Total	**$62,749,154.00**

Note: TDMHMR operates 42 community mental health centers in various catchment areas across the state.

Services Provided	*Expenditures*
Assessment	$6,558,300.00
Coordination	$14,167,856.00
In-Home and Family Support	$951,003.00
All Other Training Services	$17,402,963.00
Crisis Residential Services	$267,881.00
Local General Hospitals	$91,897.00
Alternate Family Living	$661,986.00
Other Treatment Services	$21,067,408.00
Inpatient Services	$1,579,859.00
Total	**$62,749,153.00**

NorthSTAR Behavioral Health Waiver

Funding Sources	*Revenues*
General Revenue	$5,957,462.00
Federal Funds	$1,281,614.00
Medical Assistance	$874,308.00
Total	**$8,113,384.00**

Note: NorthSTAR is a Medicaid managed care behavioral health carve-out program in the Dallas area.

Services Provided	*Expenditures*
Rehabilitation	$2,438,831.00
Community Inpatient	$1,383,787.00
Service Coordination	$953,991.00
Counseling and Psychotherapy	$845,884.00
Medications	$531,869.00
Assessment	$384,747.00
Intensive Crisis Residential Treatment	$234,116.00
CD Residential	$215,657.00
CD Non Residential	$152,587.00
MH Intensive Outpatient	$108,538.00
Emergency Room	$38,759.00
Wrap Around Services	$30,047.00
Inpatient Services	$19,209.00
Supportive Services	$10,820.00
Other Services	$47,215.00
Drug Costs	$717,327.00
Total	**$8,113,384.00**

State Mental Health Facilities

Funding Sources	*Revenues*
(separate appropriation)	**$44,194,464.00**

Services Provided	*Expenditures*
State Mental Health Facilities	$44,194,464.00
Total	**$44,194,464.00**

Note: TDMHMR provides inpatient care to children and adolescents at seven state mental health facilities.

	Revenues	*Expenditures*
Grand Total	**$115,057,002.00**	**$115,057,002.00**

Appendices:

The following appendices provide additional information about Texas' mental health care system for children. Appendix A summarizes the recommendations of the Senate Committee on Health and Human Services for improving services for children, while Appendix B provides some additional background information about the unique needs of and circumstances surrounding children with mental health care problems.

The final page of this report provides internet addresses for organizations and agencies that can serve as resources for information about and services for children and families.

For more information on mental health care for Texas children, contact the

Texas Institute for Health Policy Research
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P. O. Box 15587, Austin, Texas 78761-5587
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Appendix A: Senate Interim Committee Recommendations[1]

In 2002, Lt. Gov. Bill Ratliff charged the interim committee of the Senate Committee on Health and Human Services to, among other things, "review, evaluate, and make recommendations on the availability and adequacy of mental health services for children and adolescents and their families, including services funded through the mental health system, Medicaid, the Children's Health Insurance Program, and other funding sources the committee considers relevant." After months of meetings and public hearings, the committee recommended the following changes to improve the state's mental health care system for children.

Statewide Expansion of a Systems of Care Model -- A system of care model provides a coordinated spectrum of mental health and other services to meet the multiple and changing needs of children and adolescents with mental illnesses. Such systems are child-centered, include families in decision-making, and provide comprehensive community-based care that is individualized to the needs of each child and his or her family.[2] The committee recommended a graduated expansion process to be complete by 2009.

Coordination of Funding for Children's Mental Health Services – The Health and Human Services Commission (HHSC) would be responsible for a review of all funding streams and spending at local, state and federal levels for children's mental health, making recommendations about future funding needs and opportunities for interagency coordination. HHSC would report their findings to the 79th Legislature.

Creation of Parity in Children's Mental Health Insurance -- All state regulated health insurance policies would be required provide coverage for mental disorders in children equal to coverage provided for other medical conditions, without discrimination against the category of illness. Currently, only the most serious mental illnesses are covered.

Appropriate Coverage by Medicaid / CHIP -- The HHSC would be required to review the Medicaid/CHIP programs to ensure that they are appropriately meeting the mental health and substance abuse treatment needs of enrolled children. Specifically, the commission would examine the arrangement between Health Maintenance Organizations and Behavioral Health Organizations, emphasizing penetration and utilization rates, provider networks and reimbursement rates. HHSC would also explore options, such as funding waivers, for expanding` the range of mental health and substance abuse services and supports to children enrolled in Medicaid.

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[1] Information about the committee and specific recommendations is from the committee's final report to the 78th Legislature, submitted November 15, 2002. A complete copy of the report in PDF format is available from the Senate's Committee Archives at www.senate.state.tx.us/75r/Senate/commit/c610/Downloads/HHS_Report2002.pdf.

[2] Kutash, Krista and Albert Duchnowski. "Create Comprehensive and Collaborative Systems," *Journal of Emotional and Behavioral Disorders*, Vol. 5, No. 2, Summer, 1997.

Increased Expertise in Service Providers to Children -- The Texas Department of Mental Health and Mental Retardation and the Interagency Council on Early Childhood Intervention (ECI) would develop a continuum of care for children under the age of seven with mental health disorders, along with a plan to enhance expertise among service providers to this age group, if funding is available.

Increased Therapeutic Foster Care and Community-Based Treatment Options – Given proper funding from the legislature, the Texas Department of Mental Health and Mental Retardation (TDMHMR) should develop statewide capacity for therapeutic foster care and intensive community treatment and supports for children and families so that they may avoid relinquishing parental custody to the agency for the sole purpose of accessing mental health care that is unavailable in their community.

Require Further Education for Primary Care Physicians -- TDMHMR would facilitate through state agencies continuing education for primary care physicians regarding children's mental health, and continuously develop, implement and disseminate treatment algorithms for children's mental health, including those developed by the Children's Medication Algorithm Project.

Assessment of School-Based Mental Health Services – To improve assessment and coordination of services the committee recommended that TEA, TDMHMR, TDH and TCADA work together to assess current school based mental health and substance abuse programs, and to make recommendations on further development of such programs. Additionally, the committee recommended that state agencies be allowed to honor the psychological assessments done by other state agencies to reduce the amount of time it takes for a child or youth to be served.

Increase access to behavioral health providers -- Insurance providers, including but not limited to HMOs, PPOs and Point of Service providers, would be required to update their web-based behavioral health providers lists on a quarterly basis to make it easier to clients to access available mental health care professionals.

Appendix B: The Special Needs of Children

Children have special mental health care needs simply because they are children. This appendix provides some additional information about some issues to consider in efforts to improve a mental health care system for children and adolescents.

Diagnosing Children:

Children with mental health problems are harder to diagnose than adults are. They go through rapid and sometimes difficult physical and emotional development, particularly in the first three years of life[3] and in adolescence,[4] which can sometimes result in troubling behavior that is normal. Most children who receive care for mental illnesses are first identified by someone at their school, or by their primary care physicians.

> ***"The normally developing child hardly stays the same long enough to make stable measurements. Adult criteria for illness can be difficult to apply to children and adolescents, when the signs and symptoms of mental disorders are often also the characteristics of normal development."***
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> U.S. Surgeon General. *Mental Health: A Report of the Surgeon General, Chapter 3*, 1999. The full report is available online at

School-Based Mental Health Care:

Nationally, the majority of children receiving mental health care are accessing it through schools.[5] Accordingly, promotion of school based mental health services from the earliest grades gives mental health providers a significant opportunity for early detection, treatment and prevention.

Early intervention in mental health problems in youth ensures better, longer lasting outcomes, while untreated or mistreated mental illness may cause permanent damage in children.[6] Currently, treatment success for serious mental illnesses ranges from 60 – 80 percent.

Recognizing the importance of school based mental health and substance abuse programs, the Senate Interim Committee recommended enhancement of current programs and training in mental health care for school counselors, nurses and teachers.[7]

Primary Care Physicians:

Many times children with mental health problems rely on their primary care physicians for help, though pediatricians may not be particularly trained to offer mental health care, or to diagnose mental health problems in children.

In a study of mental health service use among young children (age 2-5), 34 percent of the children who received services "were considered to have a problem by their pediatrician,

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[3] Zero to Three. "Brain Development: Frequently Asked Questions," www.zerotothree.org/brainwonders/FAQ.html
[4] Texas Department of Health. www.tdh.state.tx.us/adolescent/parents.htm
[5] The Center for Health and Health Care in School. "Children's Mental Health Needs, Disparities and School-Based Services: A Fact Sheet." www.healthinschools.org/cfk/mentfact.asp
[6] Kathleen J. Pottick and Lynn A. Warner. "Update: Latest Findings in Children's Mental Health." *Policy Report submitted to the Annie E. Casey Foundation.* Volume 1, No. 2, 2002.
[7] See recommendation no. 3. p 1.41 in the committee's report to the 78th Legislature, November 2002.

received a mental health referral, or both."[8] All in all, a diagnosis by a pediatrician doubled the likelihood of receiving services, and a referral increased the likelihood by more than 2.5 times.[9]

The Senate Committee on Health and Human Services acknowledged the role of primary care physicians in providing mental health care to children by recommending the development of algorithms intended to help physicians identify and treat mental illness.[10]

Wraparound Care for Children:

A child's environment shapes brain development and behavior.[11] Accordingly, treating children's mental illness must involve the whole family, as well as the communities in which they live. The 1999 Surgeon General's report noted that "...children must be seen in the context of their social environments, that is, family, peer group, and their larger physical and cultural surroundings. Childhood mental health is expressed in this context, as children proceed through development."[12]

One of the features of a systems of care model, also referred to as "wraparound" care, is that all the resources within a child's community are coordinated to address the needs of the child and his or her family. Family members are involved in decision-making, and the child stays in his or her home environment.

Research has shown the Systems of Care Model to be the most effective method of intervention for children with mental health problems and their families.[13]

"No one, I've found, really knows how to deal with situations of a mentally ill child. These children either get expelled, suspended, in school suspension, quit school, go untreated and can even be put in a special education classroom where they sit and deteriorate because their behavior is disrupting."

Mother of a mentally ill child detained at a Texas Youth Commission facility, 2003.

The Juvenile Justice System:

Parents of adolescents with serious emotional, behavioral or mental health problems are sometimes *advised* to have their children charged with criminal offenses so that they can access court-ordered mental health care and to enlist the power of the court to enforce treatment.[14]

The Mental Health Association in Texas reports that the Texas Department of Protective and Regulatory Services (TDPRS) documented that 82% of the children in TDPRS custody under parental relinquishment criteria are there because parents had no other way to access mental health services. There were 244 children relinquished under such circumstances in 2002.[15]

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[8] Lavigne, John. "Mental Health Service Use Among Young Children Receiving Pediatric Primary Care," *Journal of the American Academy of Child and Adolescent Psychiatry*, November 1998.
[9] Ibid.
[10] See recommendation no. 7. p 1.44 in the committee's report to the 78th Legislature, November 2002.
[11] _____. Blueprint for Change: Research on Child and Adolescent Mental Health," Report of the National Advisory Mental Health Council's Workgroup on Child and Adolescent Mental Health Intervention Development and Deployment, U.S. Department of Health and Human Services, National Institute for Mental Health (NIMH), 2001.
[12] U.S. Surgeon General. *Mental Health: A Report of the Surgeon General, Chapter 3*, 1999.
[13] See recommendation no. 1. p 1.40 in the committee's report to the 78th Legislature, November 2002
[14] Texas Department of Mental Health and Mental Retardation. *Financing Mental Health Services for Juvenile Offenders with Mental Illness*, December 1, 2002, p. 2. www.mhmr.state.tx.us/CentralOffice/ChildrensServices/Rider63Finance.pdf
[15] Mental Health Association in Texas. www.mhatexas.org/FACTSHEET1final2

The Senate Committee on Health and Human Services noted in their final report the serious repercussions for families that resort to parental relinquishment of custody to secure treatment for their children:

> *"The bond between the parent and child is broken, and parents have little or no involvement in decisions affecting their child's mental health, health, and education. In addition, the child welfare system is unduly burdened with the care of children for whom a loving and caring family exists except for the lack of access to mental health services."*[16]

[16] Committee Report to the 78th Legislature, November, 2002, p. 1.2.

Additional Children's Mental Health Resources

Mental Health Association of Texas, (512) 454-3706, www.mhatexas.org

Texans Care for Children, (512) 473-2274, www.texanscareforchildren.org

Texas Commission on Alcohol and Drug Abuse, (800) 832-9623, www.tcada.state.tx.us

Texas Department of Health, (512) 458-7111, www.tdh.state.tx.us

Texas Department of Mental Health and Mental Retardation, (512) 454-3761, www.mhmr.state.tx.us

Texas Department of Protective and Regulatory Services, (512) 438-4800, www.tdprs.state.tx.us

Texas Education Agency, (512) 463-9734, www.tea.state.tx.us

Texas Institute for Health Policy Research, (512) 465-1019, www.healthpolicyinstitute.org

Texas Juvenile Probation Commission, (512) 424-6700, www.tjpc.state.tx.us

Texas Youth Commission, (512) 424-6130, www.tyc.state.tx.us

National Mental Health Association, (703) 684-7722, www.nmha.org

National Institute of Mental Health, (301) 443-4513, www.nimh.org

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